

CITY OF CARLISLE
SPECIAL CITY COUNCIL MEETING
Monday, May 2, 2005
7:00 P.M.
Carlisle City Hall Council Chamber

Officials present: Mayor Ruth Randleman, Councilmembers Drew Merrifield, Allen Wiese, Pat Stump, Blair Dewey and Frank Shultz, Public Works Superintendent Steve O'Braza and City Administrator Neil Ruddy. Also present were Terry Lutz of McClure Engineering and several Avon Lake residents. Mayor Randleman called the meeting to order at 7:00 P.M.

Terry Lutz of McClure Engineering conducted a workshop on the design and financing strategies for the AVON LAKE SANITARY SEWER EXTENSION project. If approved by Rural Development, the cost to provide sewer to the Avon Lake area only will be \$1,525,000 with \$830,000 of the total to be financed by grants and \$695,000 to be financed by a long-term loan. Each Avon Lake resident would pay a sewer rate of approximately \$47.00 per month plus a one-time cost of between \$500 and \$1,500 to physically hook up each house. The rate would generate between \$80,000 and \$90,000 per year of which approximately \$36,000 would be to amortize the long term loan. The remaining \$34,000 to \$44,000 would cover increased City expenses. The \$47.00 monthly rate for sewer service is approximately two times the in-town rate of \$23.75 for a typical residence.

Several options for oversizing the extension to provide sewer service to the northwest development area were presented. The option to oversize at Avon Lake and extend west to Highway 65 would cost an additional \$530,000 of which \$236,000 which could come from connection fees to developed properties and \$294,000 which would be amortized by an annual payment of \$29,000 per year which could come from either the additional revenue from the Avon Lake residents or from an increase of \$1.62 per month to the existing sewer customers. The option to oversize from a point south of Avon Lake and extend west to Highway 65 would cost an additional \$956,000 of which \$236,000 would come from connection fees to developed properties and \$720,000 which would be amortized by an annual payment of \$70,000 per year which could come from either the additional revenue from the Avon Lake residents and an increase of \$1.62 per month to the existing sewer customers or from an increase of \$3.94 per month to the existing sewer customers. Oversizing from a point south of Avon Lake would substantially increase the undeveloped area that could be served and would allow for a future extension to the area south of Highway 5. It was explained that if there was a commitment for the development of any new tax base in the area, the Polk County economic development fund would front the money for the oversizing.

Rex Fowler explained the custom farming proposal for the Scotch Ridge Center site. Beans would be planted on approximately 10-15 acres of the site that can be most easily farmed. He will negotiate a rental agreement with the farmer who farms the adjacent property and will finance the up front costs. Any profits after expenses will be reinvested in the Scotch Ridge Center project. The process will involve mowing, treatment with round-up and no till planting. It was explained that a lease can be negotiated for up to three years without conducting a hearing. Motion by Wiese to APPROVE THE CUSTOM FARMING PROPOSAL FOR THE SCOTCH RIDGE CENTER SITE, contingent on a written agreement to follow. Seconded by Stump. Roll call vote: Wiese – Aye, Stump – Aye, Merrifield – Aye, Dewey – Aye, Shultz – Aye. Motion carried by unanimous vote. It was explained that the materials for the Scotch Ridge Center sign were donated by Dennis Woodruff and the labor was donated by ETC Graphics. A permit was obtained from Warren County.

Terry Lutz conducted a workshop on the establishment and operation of a STORM WATER UTILITY. The concept is to create a utility out of the City's existing storm drainage system which is currently paid for through a combination of road use taxes and property taxes. Costs are allocated in proportion to the amount each property adds to the total runoff either as a flat rate based on land use or as an equivalent surface unit rate based on the impervious surface of each lot. An ESU of 1 would be a typical residential lot with approximately 3,000

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square feet of impervious surface. A storm water utility is created by adopting an ordinance after conducting a public hearing.

The hypothetical example of \$500,000 of storm sewer needs that would be amortized by an annual payment of \$64,750 was discussed. The annual payment could come from either a tax levy of an additional \$.87 per \$1,000 of valuation which for a residential property with a taxable value of \$100,000 would be \$7.22 per month or from a storm water rate of \$2.75 per month per residential property and \$8.25 per month per commercial property. Compared to the current system a storm water utility would shift the storm water costs to the larger commercial and institutional properties which are the largest contributors of runoff. Based on a rate of \$2.00 per ESU per month a Carlisle storm water utility would generate \$47,000 annually; on an ESU rate of \$3.00, \$70,000 annually and on an ESU rate of \$4.00, \$94,000 annually. It would cost between \$30,000 and \$40,000 to set up a storm water utility based on an equivalent surface unit rate structure and utilizing available aerial photography.

Councilmember Shultz stated that he would rather pay storm water expenses through property taxes than through a utility rate because of deductibility. The need to track storm water costs separately, the need for a storm water detention ordinance and the possibility of providing a utility rate credit for low impact design were discussed. It was explained that a storm water utility can pay for drainage costs outside the City limits.

Councilmember Stump reported on NIMS training, Councilmember Shultz reported on the Loyalty Day parade and Mayor Randleman invited the Council to the MIALG meeting on May 11th.

Motion by Dewey to adjourn at 9:31 P.M. Seconded by Shultz. Roll call vote: Dewey – Aye, Shultz – Aye, Merrifield – Aye, Wiese – Aye, Stump – Aye. Motion carried.

Ruth Randleman, Mayor

Attest:

Neil Ruddy, Administrator/Clerk